

## Message Text

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PAGE 01 LIMA 05787 172230Z

16

ACTION ARA-10

INFO OCT-01 ISO-00 COME-00 EB-07 L-03 CIAE-00 INR-07

NSAE-00 /028 W

----- 100939

R 172111Z JUL 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 5966

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E.O. 11652: N/A

TAGS: BEXP, PE

SUBJECT: TRADE OPPORTUNITY: BAYOVAR PETROCHEMICAL COMPLEX

REF: STATE 162017

1. EMBASSY OFFICER DISCUSSED BAYOVAR PETROCHEMICAL COMPLEX WITH PETROCHEMICAL DIVISION AT INDUPERU. IT IS CLEAR TO US THAT INDUPERU, ALTHOUGH VERY CONFIDENT IN ITS ABILITY TO DEVELOP THIS PROJECT, HAS LITTLE GRASP OF THE COMPLEXITY INVOLVED IN SUCH AN UNDERTAKING. THEY ARE SEEKING A \$630 MILLION TURNKEY PROJECT (COMPLETELY FINANCED) FOR THE PETROCHEMICAL COMPLEX, BUT DO NOT SEEM TO UNDERSTAND THE CONSTRAINTS UNDER WHICH THEY MUST WORK, TO WIT, A SERIOUS SHORTAGE OF DOMESTIC CAPITAL, A PROBABLE REDUCTION IN NET FOREIGN EXCHANGE RESERVES, AND THE FACT THAT THE PROPOSED SITE FOR THE PETROCHEMICAL COMPLEX IS IN A DESERT AREA WHICH WILL REQUIRE MASSIVE GOP INVESTMENT FOR INFRASTRUCTURE DEVELOPMENT, WHICH IS UNLIKELY TO BE UNDERTAKEN WITH DESPATCH.

2. THE EMBASSY HAS NOT PREVIOUSLY REPORTED ON THIS PETROCHEMICAL COMPLEX TO THE MAJOR PROJECTS DIVISION BECAUSE OF OUR PESSIMISM ABOUT THE LIKELIHOOD OF THE SUCCESSFUL DEVELOPMENT OF THIS PROJECT, WHICH WAS REINFORCED BY OUR LATEST DISCUSSION WITH INDUPERU.

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PAGE 02 LIMA 05787 172230Z

WE WOULD RECOMMEND THAT ANY U.S. FIRMS CONSIDERING

INVOLVEMENT IN THIS PROJECT, ESPECIALLY JOINT VENTURE  
ARRANGEMENTS INVOLVING U.S. CAPITAL, USE CONSIDERABLE  
CAUTION.  
DEAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LIMA05787  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750248-0427  
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**Line Count:** 65  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 162017  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 SEP 2003 by CunninFX>; APPROVED <08 OCT 2003 by GolinoFR>  
**Review Markings:**

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US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TRADE OPPORTUNITY: BAYOVAR PETROCHEMICAL COMPLEX  
**TAGS:** BEXP, PE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006